IN THE HIGH COURT OF JUDICATURE, ANDHRA PRADESH
AT HYDERABAD

TUESDAY, THE TWENTY EIGHTH DAY OF SEPTEMBER
TWO THOUSAND AND FOUR

PRESENT

THE HON'BLE SRI DEVINDER GUPTA, THE CHIEF JUSTICE

and
THE HON'BLE SRI JUSTICE C.V.RAMULU

WRIT APPEAL No. 1421 of 2004

(Writ Appeal under Clause 15 of the Letters Patent against the Order dated 23/08/2004 in WP No. 14885 OF 2004 on the file of the High Court.)

Between:

A.Keshava Reddy, S/o Ranga Reddy,
R/o Lemoor Village, Kandukur Mandal, Ranga Reddy District.

..... APPELLANT

AND

1. TheAndhra Pradesh State Civil Supplies Corporation, rep.by its Vice-Chairman and Managing Director, Hyderabad.
2. The Joint Collector, Civil Supplies, R.R.District,
Lakdikapool, Hyderabad.
3. The District Manager, A.P.State Civil Supplies Corporation Ltd.
Ranga Reddy District.
4. The Mandal Revenue Officer, Ibramhimpatnam Mandal, Ibrahimpatnam, Ranga Reddy District

.....RESPONDENTS

Counsel for the Appellant: Mr.V.VENKATARAMANA

Counsel for the Respondents : GP FOR CIVIL SUPPLIES

The Court made the following :

ORAL JUDGMENT:

(per The Honourable Sri Devinder Gupta, the Chief Justice)

On 12.8.2004, the Joint Collector & E.O., E.D. by proceedings No.Movt.5(1)/2002, passed orders against the appellant in exercise of his power under Clause 7 sub-clause(d) of the agreement entered into by the appellant with the Respondent-Corporation suspending the transport contract and holding that it was a clear case of cheating, breach of trust and theft of Government stocks. Simultaneously, order was passed for blacklisting the appellant with immediate effect pending enquiry into the matter. This order was challenged by the appellant in Writ Petition, and, learned Single Judge dismissed the Writ Petition holding that it is a contractual matter and no interference is called for by this Court in exercise of writ jurisdiction, and, the appellant is at liberty to work out his remedies in accordance with law. Appeal is against the said order.

As regards the challenge by the appellant to the order impugned in the Writ Petition against the suspension/cancellation of the contract, we are in full agreement with the learned Single Judge that the remedy of the appellant would be to work out his remedies in accordance with law. Learned counsel for the appellant, however, frankly and rightly, says that he would confine his challenge to that part of the order passed, by which, appellant has been blacklisted during the pendency of the enquiry.

We have heard the learned counsel for parties.

There is no manner of doubt that respondents, pending enquiry, are entitled to suspend the contract. But, when it comes to the second part of the order, by which, appellant has been blacklisted, such power can be exercised by respondents only after show-cause notice has been issued to the appellant pointing out the grounds

on which respondents intend to take action for blacklisting the appellant and the period for which blacklisting would remain in operation. In the absence of issuance of any show-cause notice and calling upon the appellant to explain why such an order be not passed, the order blacklisting the appellant is rendered illegal and void, and, has to be quashed and set aside with liberty reserved to the respondent, in case, they would like to do so, to do it according to law, after issuance of appropriate show-cause notice and affording an opportunity to the appellant to submit his reply. Ordered accordingly.

In the result, Writ Appeal is allowed and the order impugned in the writ petition is set aside to the extent by which appellant was ordered to be blacklisted. No costs.

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DEVINDER GUPTA, C.J.

28.9.2004.

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C.V.RAMULU, J.

VR.

To

1. The Vice-Chairman & Managing Director, Andhra Pradesh State Civil Supplies Corporation, Hyderabad.
2. The Joint Collector, Civil Supplies, R.R.District,
Lakdikapool, Hyderabad.

3. The District Manager, A.P.State Civil Supplies Corporation Ltd.
Ranga Reddy District.
4. The Mandal Revenue Officer, Ibramhimpatnam Mandal, Ibrahimpatnam, Ranga Reddy District.

5. Two CCs to Govt. Pleader for Civil Supplies, High Court Buildings, Hyderabad (OUT).

6. Two CD copies.